

EXHIBIT 3

1 UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION

4 IN RE: NATIONAL)
5 PRESCRIPTION) MDL No. 2804
6 OPIATE LITIGATION)
7 _____) Case No.
8 _____) 1:17-MD-2804
9 _____)
10 THIS DOCUMENT RELATES) Hon. Dan A.
11 TO ALL CASES) Polster

12 FRIDAY, OCTOBER 26, 2018

13 HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER
14 CONFIDENTIALITY REVIEW
15 - - -

16 Videotaped deposition of Stephan
17 Kaufhold, held at the offices of LIEFF
18 CABRASER HEIMANN & BERNSTEIN, LLP, 250 Hudson
19 Street, 8th Floor, New York, New York,
20 commencing at 12:03 p.m., on the above date,
21 before Carrie A. Campbell, Registered
22 Diplomate Reporter and Certified Realtime
23 Reporter.

24 - - -

25 GOLKOW LITIGATION SERVICES
26 877.370.3377 ph | 917.591.5672 fax
27 deps@golkow.com

1 you -- that was -- either you created or was
2 created for you that you brought today?

3 A. Sure.

4 So in regard to the time when
5 Watson acquired Actavis legacy, okay, the
6 sales entity that we would have used, all our
7 sales went through Watson Pharma, Inc., which
8 is currently known as Allergan USA, Inc.,
9 today.

10 Q. And when the sales went through
11 Watson Pharma, Inc. --

12 A. Yes.

13 Q. -- what entity booked revenue
14 from those sales?

15 A. Would have been Watson Pharma,
16 Inc.

17 Q. Not Watson Pharmaceuticals?

18 A. No.

19 Q. What entity would have spent
20 money on research, development, marketing,
21 cost of sales for those drugs?

22 A. I don't know the specific
23 entities.

24 Q. I forgot to mention this
25 before. If you want to take a break, as long

1 and here "we" is the "financial information
2 and transactions of Watson Pharmaceuticals,
3 Inc., prior to January 2013, Actavis, Inc.,
4 from January 2013 to October 2013, and
5 Allergan PLC and Warner Chilcott Limited,
6 subsequent to October 2013.

7 You see that, correct,
8 regarding "we"?

9 A. Actavis, comma, Inc., from
10 January 23, 2013, to October 1, 2013.

11 Q. Okay. And the rest of what I
12 said was correct?

13 A. Yes.

14 Q. Okay. That "we" will receive
15 \$33.75 billion in cash and 100.3 million Teva
16 ordinary shares or American depository
17 shares, correct?

18 A. Yes.

19 Q. Is that what Allergan PLC
20 received for the sale of its generics
21 business to Teva?

22 A. At the -- this was, again,
23 2015. This had a certain value of the 100
24 million shares. On the day it closed, the
25 100 million shares would have been valued

1 something different than what is in this
2 agreement.

3 Q. So you did -- Allergan PLC did
4 receive approximately \$33.75 billion in cash?

5 A. That is correct.

6 Q. And then it received --

7 A. Shares.

8 Q. -- some -- some body of
9 approximately 100 million shares, give or
10 take, depending on the current value of the
11 shares?

12 A. Exactly.

13 Q. Where did that money get -- on
14 whose financial statements were the
15 \$33.75 billion in cash recorded?

16 A. Would have been recorded --
17 again, I don't have that direct knowledge.

18 Q. You were the treasurer --
19 currently your job is as treasurer, correct?

20 A. Yes.

21 Q. And you're treasurer of --
22 what's the name of the company? It's
23 Allergan...

24 A. I'm treasurer of several legal
25 entities in the Allergan group of companies.

1 Q. I'm sorry, who's your -- who
2 are you employed by?

3 A. I'm employed by Allergan Sales,
4 LLC.

5 Q. And as treasurer of Allergan
6 Sales, LLC, one of the companies that you
7 provide services to, that you are treasurer
8 for, is Allergan PLC, correct?

9 A. That is correct.

10 Q. Do you know whether the
11 \$33.75 billion went on to Allergan PLC's
12 financial statements?

13 A. It went on its consolidated
14 financial statements.

15 Q. Do you know what happened to
16 that money --

17 A. Yes.

18 Q. -- how it derived through --
19 how it made its way through the organization,
20 if it did?

21 A. Yes.

22 Q. What happened to the
23 \$33.75 billion?

24 A. When we received the company,
25 some of it, approximately \$6.2 billion, went

1 to -- would have been called Actavis Capital
2 S.a.r.l., okay, where we had debt
3 outstanding. We paid off approximately
4 6.2 billion of term loans, so the proceeds
5 went there.

■ [REDACTED]
■ [REDACTED]
■ [REDACTED]
■ [REDACTED]

10 Q. What was the owner of the
11 hold -- what was the Holdco that sold the
12 generics entities?

13 A. In regard to the August 2,
14 2016, org chart, page 2 of 6 -- and again,
15 this is MDL03674502. If you go to page 2,
16 you see the top box that's in yellow, Actavis
17 Holdco US, that was sold to Teva.

18 It's direct parent was Allergan
19 Holdco US, comma, Inc. So a portion, a
20 majority of the funds, went to that entity.

21 Q. At that point in time did
22 Allergan Holdco US, comma, Inc., have any
23 employees?

24 A. No, it did not.

25 Q. Did Actavis Holdco US, comma,

1 Inc., that was sold have any -- itself have
2 any employees?

3 A. Actavis Holdco US, comma, Inc.,
4 no.

5 Q. Did -- and if you look up the
6 chart, there's an entity called Actavis
7 Capital S.a.r.l., S-a-r-l?

8 A. Yes.

9 Q. Is that the entity to which you
10 said approximately \$6 billion --

11 A. That is correct.

12 Q. Did Actavis Capital S.a.r.l.
13 have any employees at that point in time?

14 A. It did not.

15 Q. If you want to go to the front
16 page just -- of the same exhibit, which is
17 ALLERGAN_MDL_03674501.

18 A. Yes.

19 Q. As of August 2, 2016, do you
20 know how many, approximately how many,
21 employees Allergan PLC had in its Irish
22 office?

23 A. Allergan PLC has no employees.

24 Q. Today does Allergan PLC have no
25 employees?

Highly Confidential - Subject to Further Confidentiality Review

1

ERRATA

2

3 PAGE LINE CHANGE/REASON

4 35 7-8 "which is currently Knowns" to

5 "and all go Through"

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